


# annual report

**Wright-Hargreaves**

**Mines, Limited**

**For the year ended December 31, 1973**



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# Wright-Hargreaves

## Mines, Limited

### EXECUTIVE OFFICERS

ROBERT C. STANLEY, JR. .... President  
D. C. WEBSTER ..... Vice-President  
IAN T. H. HAMILTON ..... Secretary  
D. M. GIACHINO ..... Vice-President - Mining

### DIRECTORS

JOHN C. L. ALLEN  
D. C. WEBSTER  
ROBERT C. STANLEY, JR.  
IAN T. H. HAMILTON  
P. A. ALLEN

### TRANSFER AGENT AND REGISTRARS

CANADA PERMANENT TRUST COMPANY  
Toronto, Ontario  
THE BANK OF NEW YORK  
New York, N.Y.

### AUDITORS

THORNE GUNN & CO.  
Toronto, Ontario

### HEAD OFFICE

Suite 1900, 101 Richmond Street  
West, Toronto, Ontario

# Wright-Hargreaves

## Mines, Limited

### LONG LAC MINERAL EXPLORATION LIMITED 1973 REPORT

Late in 1973, Lac Minerals optioned the former Golden Sunbeam Mine in central Idaho, U.S.A. The potential for a large-tonnage, low-grade, gold-silver operation exists on this property. Preliminary assay and metallurgical results have been favourable; however, a considerable amount of work will be required to evaluate this prospect.

An agreement has been entered into directed towards a large-scale reconnaissance prospecting-exploration search for minerals in northern Canada. This project will cover a three-year period and will employ the most recent techniques and theories in mineral exploration. In addition, a study will be conducted as to the applied use of the new Earth Satellite Remote Sensing devices in mineral exploration.

In addition to the reported exploration expenditures, a purchase of 200,000 shares of Taurus Oil Ltd. was made for \$200,000, with an option to purchase a further 200,000 shares at \$1.50 per share. Taurus is a new company formed in 1973 by Mr. John Downing, the President and Founder of the former Polaris Oil Ltd. Taurus is active in the search for oil and/or gas deposits in four countries, with principal exploration activities centred in Canada and the United States. The sale of your Companies interest in the predecessor company Polaris Oils Ltd. resulted in a net profit of \$135,000.

Follow-up geological and geophysical work along with diamond drilling was conducted on a large parcel of land in Newfoundland. Results proved to be sub-economic and no further work is contemplated at this time.

A property including the former Darkwater gold mine was optioned, and eight contiguous claims staked, four miles west of the Mattabi Mines in the Sturgeon Lake volcanic belt. A limited amount of drilling was conducted on the property in the fall of 1973, and further work to evaluate both the base metal and gold potential is planned during 1974.

Two coal properties, Moose Mountain and Brule Lake, in which Lac Minerals has an interest, were drilled by the Granby Mining Company. Some encouragement was obtained in the Brule Lake drilling, and further drilling will be conducted in 1974.

Exploration expenditures for the year were \$150,000, excluding the Taurus Oil purchase.

In the summer of 1973, Lac Minerals' Western Division was established in Vancouver under the direction of Mr. V. F. Erickson, B.A.Sc., M.B.A.

Lac Minerals exploration costs are shared by the following companies: Lake Shore Mines, Limited, 25%; Little Long Lac Mines Limited and Willroy Mines Limited, 20% each; Malartic Gold Fields (Quebec) Limited, Wright-Hargreaves Mines, Limited and East Malartic Mines Limited, 10% each; and Lundor Mines Limited, 5%.

Dennis Sheehan  
Exploration Manager



# Wright-Hargreaves

## Mines, Limited

### To the Shareholders:

Your Directors present the 57th Annual Report and Financial Statements for the fiscal year ended December 31, 1973 together with the Auditors' Report thereon.

Net income for the year (due to extraordinary items of \$1,741,383) was \$1,740,822, for net earnings per share of 17¢.

This compares with net income (due to extraordinary items of \$381,597) of \$342,416, for net earnings per share of 3¢ in 1972. Revenue was \$137,023 as compared with \$138,299 in 1972.

On July 15, 1973, an agreement was signed between the Company and Kerr Addison Mines Limited providing for an option of the Wasamac Division Number 2 mine property in Beauchastel Township in the Province of Quebec to Kerr Addison. The agreement was to permit Kerr Addison, in conjunction with Noranda Exploration Company, Limited to carry out drilling on the property. During 1973 five holes were drilled on the property for an aggregate footage of 4,949 feet. The total expenditure to December 31, 1973 was \$34,294.36. The results of this work remain under study.

The Company will be making a complete review of all its gold properties during the next year.

The Company remains active in exploration through its 10% interest in Long Lac Mineral Exploration Limited. A report on this company's activities is included.

It is with deep regret that the Board of Directors report the death of Mr. Peter Hanley on March 26, 1974.

Respectfully submitted,

On behalf of the Board,

Toronto, Ontario,  
March 29, 1974

**Robert C. Stanley, Jr.,**  
President.

## BALANCE SHEET

(with comparative figures for 1972)

ASSETS			
Current Assets		1973	1972
Cash and short term deposits .....		\$ 320,594	\$1,682,078
Marketable securities, at cost less allowance for decline in market value of \$250,000 in 1973 (at cost in 1972) (quoted market value 1973, \$3,715,650; 1972, \$2,277,356) .....		3,689,444	2,139,157
Accounts and accrued interest receivable .....		52,561	33,705
		<u>4,062,599</u>	<u>3,854,940</u>
Investments in Other Companies (note 1)			
Shares in associated companies			
Listed, at cost less allowance for decline in value 1973, \$1,922,000; 1972, \$3,422,000 (quoted market value 1973, \$4,463,785; 1972, \$3,025,219) .....		4,448,725	2,948,927
Marbridge Mines Limited, 50% owned, at nominal value .....			1
Effectively controlled, at cost .....		369,369	
Others, at cost .....		2,500	370,993
Shares of other companies, at cost .....		349,663	349,535
		<u>5,170,257</u>	<u>3,669,456</u>
Mining Properties, buildings and equipment, at estimated realizable value (note 2) .....			
		31,404	43,904
		<u>\$9,264,260</u>	<u>\$7,568,300</u>

## AUDITOR'S REPORT

To the Shareholders of  
Wright-Hargreaves Mines, Limited

We have examined the balance sheet of Wright-Hargreaves Mines, Limited as at December 31, 1973 and the statements of income, deficit and source and application of funds for the year then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

January 14, 1974  
Toronto, Canada



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he laws of Ontario)

**DECEMBER 31, 1973**

at December 31, 1972)

### LIABILITIES

#### Current Liabilities

	1973	1972
Accounts payable and accrued liabilities .....		\$ 34,449
Payable to associated companies .....	\$ 3,349	13,762
	<u>3,349</u>	<u>48,211</u>

### SHAREHOLDERS' EQUITY

#### Capital Stock

Authorized — 15,000,000 shares without par value

Issued — 9,962,877 shares ..... 10,276,688 10,276,688

Contributed Surplus ..... 5,000 5,000

Deficit ..... 10,281,688 10,281,688

1,020,777 2,761,599

9,260,911 7,520,089

Approved by the Board

P. A. ALLEN, Director

D. C. WEBSTER, Director

\$9,264,260 \$7,568,300

### REPORT

In our opinion these financial statements present fairly the financial position of the company as at December 31, 1973 and the results of its operations and the source and application of its funds for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Thorne Gunn & Co.  
Chartered Accountants

# Wright-Hargreaves

## Mines, Limited

### STATEMENT OF INCOME

Year ended December 31, 1973

(with comparative figures for 1972)

Revenue	1973	1972
Dividends and interest .....	\$ 137,023	\$138,299
<b>Expenses</b>		
Mine office and supervision .....		8,204
General expenses at the property .....	14,577	2,280
Administrative and corporate expenses .....	110,663	136,035
	125,240	146,519
Income (loss) before undernoted items .....	11,783	(8,220)
Outside exploration .....	12,344	30,961
Loss before extraordinary items .....	561	39,181
<b>Extraordinary items</b>		
Dividend received from pre-acquisition earnings of Marbridge Mines Limited less \$119,038 applied against cost of shares in 1972 ....	71,250	270,962
Reduction (increase) in allowance for decline in market value of		
Marketable securities .....	(250,000)	70,000
Listed shares in associated companies .....	1,500,000	
Gain on sale of investments .....	365,886	70,261
Loss on disposal of mining buildings and equipment .....		(20,000)
Recovery of expenses of previous years .....	54,247	
Merger expenses .....		(9,626)
	1,741,383	381,597
Net income for the year .....	\$1,740,822	\$342,416
<b>Earnings per share</b>		
Loss before extraordinary items .....	Nil	Nil
Net income for the year .....	17¢	3¢



# Wright-Hargreaves

## Mines, Limited

### STATEMENT OF DEFICIT

Year ended December 31, 1973  
(with comparative figures for 1972)

	1973	1972
Deficit at beginning of year .....	\$2,761,599	\$3,104,015
Net income for the year .....	1,740,822	342,416
Deficit at end of year .....	<u>\$1,020,777</u>	<u>\$2,761,599</u>

### STATEMENT OF SOURCE AND APPLICATION OF FUNDS

Year ended December 31, 1973  
(with comparative figures for 1972)

	1973	1972
<b>Source of funds</b>		
Proceeds from sale of mining properties, buildings and equipment	\$ 12,500	\$ 1,225
Proceeds from sale of shares in associated and other companies ..	44,415	248,512
Gain on sale of marketable securities .....	344,000	89,574
Dividend from Marbridge Mines Limited .....	71,250	390,000
Allowance for decline in value of marketable securities no longer required .....		70,000
Recovery of expenses of previous years .....	54,247	
	<u>526,412</u>	<u>799,311</u>
<b>Application of funds</b>		
Loss before extraordinary items .....	561	39,181
Purchase of shares in associated and other companies .....	23,330	639,203
Loss on disposal of mining buildings and equipment .....		20,000
Merger expenses .....		9,626
Allowance for decline in value of marketable securities .....	250,000	
	<u>273,891</u>	<u>708,010</u>
Increase in working capital .....	252,521	91,301
Working capital at beginning of year .....	3,806,729	3,715,428
Working capital at end of year .....	<u>\$4,059,250</u>	<u>\$3,806,729</u>

# Wright-Hargreaves Mines, Limited

## NOTES TO FINANCIAL STATEMENTS

Year ended December 31, 1973

### 1. Shares in Associated Companies

- (a) The market values shown are based on closing market prices at December 31 in each year. Because of the number of shares involved the amounts that would be realized if these securities were to be sold may be more or less than their indicated market value.
- (b) The investment in the effectively controlled company is in a non-producing mining company. All of its expenditures to date have been deferred.

### 2. Mining Properties

Under an agreement dated July 15, 1973 the company granted the exclusive right to explore, develop and mine its mining properties held in the County of Temiscamingue, Province of Quebec, to another company. If the other company expends an aggregate of \$125,000 on the property on or before December 31, 1974, title to the property shall pass to this company in return for royalty payments based on the net proceeds from production after the recovery by the developing company of all expenditures made by it to bring the property into production. The consideration for entering into the agreement was for the other company to spend a minimum of \$25,000 on the mining properties on or before December 31, 1973.

Under an agreement dated June 4, 1973 the company granted an option to another company to rework tailings located on the Kirkland Lake, Ontario properties. The option grants the other company the right to elect by August 28, 1974 whether or not it wishes to enter into a 20 year agreement to rework the tailings, dividing equally any profit from the operation with the company after the recovery of expenditures made to determine the feasibility of the project.

### 3. Other Statutory Information

The remuneration of directors and senior officers (including the five highest paid employees) as defined by The Business Corporations Act of Ontario was \$20,000 in 1973 (\$18,678 in 1972).





